



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3065

**NESTOR GARCIA**

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CITY CLERK  
HONOLULU, HAWAII

February 3, 2009

Mr. Kirk Caldwell, Acting Managing Director  
Managing Director's Office  
530 S. King Street, 3<sup>rd</sup> Floor  
Honolulu, Hawaii 96813

Dear Mr. Caldwell:

Re: **BUDGET COMMUNICATION NO. 2**  
Annual Budget Review FY 2010  
Procedures for Departmental Briefings

Attached is the Annual Budget Review's Departmental Budget Briefing Schedule for Fiscal Year 2010. Please note that this year's briefings will start with the Administrative Overview followed by the Capital Budget Review by function then the Operating Budget Review by each respective department.

Thirty minutes have been allocated for the Administrative Overview. The Capital Budget will be reviewed by function over the course of the first four days. Over the course of the next four days each department will be allocated **forty-five** minutes to present their operating budget. As such, we ask that the departments get right into the meat of their budgetary needs and that their presentations be limited to the first 10 minutes of each session with the remainder of the period reserved for committee members' questions and other testimony.

Please have each department submit 20 copies of their presentation to the Budget Committee Clerk, Ms. Gail Murayama, before or at the time of their scheduled presentation. To facilitate the process, please provide hard copies of all PowerPoint or other presentations to the committee prior to any presentation. Presentations should be designed as follows:

### **Administrative Overview**

For your opening presentation on March 16, 2009, please include the following (please present graphically, i.e., MS PowerPoint):

- 1) Policies and priorities that guided preparation of the FY10 operating and capital budget and program.
- 2) Projections for FY10 through FY15 for the amount of new general obligation bond issuances, G.O. bond retirements, and resultant net debt issuance.
- 3) Projections for FY10 through FY15 for the amount of debt service, in total amount and as a percentage of the operating budget, associated with the net debt issuance determined above. Also project debt service payments, in total amount and as a percentage of the operating budget, over that period assuming annual net G.O. bond issuance in the amounts determined in item 2 above for each year.
- 4) Projections for FY10 through FY15 for the City's contribution to the Employees' Retirement System and the Hawaii Employer — Union Health Benefits Trust Fund, in total amount and as a percentage of the operations budget.
- 5) A graph depicting unreserved, undesignated fund balances (General Fund and Highway Fund) of
  - a) the amount of the city's outstanding debt as of the date of the presentation, including that which can be legally excluded; and
  - b) the amount of the city's current authorized, but un-issued debt, as of the date of the presentation.
- 6) Details of bond issuances and/or restructuring (including commercial paper) proposed for FY10. Details should include but not be limited to the amount of issuance/restructuring, estimated interest rate, term, structure, projected date of issuance, and projected annual debt service payments.
- 7) A graph depicting unreserved, undesignated fund balances (General Fund), and unrestricted net assets (Sewer and Solid Waste Funds) from FY04 to FY08.

- 8) A graph depicting budgeted revenues for FY08, actual revenues for FY08, budgeted revenues for FY09, projected actual revenues for FY09 and proposed revenues for FY10 and the percentage change between each of those years.
- 9) A graph showing expenses divided into fixed (uncontrollable) and discretionary (controllable) for FY08 budgeted expenses, FY08 actual expenses, FY09 budgeted expenses and FY09 projected actual expenses and FY10 proposed expenses and the percentage changes between each of those years.

### **Capital Budget Review**

The attached Departmental Budget Briefing Schedule lists which departments are required to be present for each function. The Department of Design and Construction should be represented throughout the CIP Review to provide information on the status of on-going projects and the basis for cost estimates. We would also appreciate the presence of a representative of each client agency at these briefings in order to determine the impact certain projects may have on the operating budget.

I am requesting that the Capital Budget be reviewed in the order in which it appears in the proposed ordinance, with the exception of the Public Safety Function which will be taken up immediately upon completion of the Administrative Overview. For the sake of time, please note that the second Department scheduled for a particular session should be present in the Committee Meeting Room and prepared to make their presentation as soon as the first presentation of the session is completed.

### **Project Review**

In view of the city's increasing debt burden, new capital projects should be justified as to: (1) why they are necessary; and (2) why they must be implemented in this budget cycle. This requirement for justification includes projects that received planning and/or design funding in the past, but have not yet gone out to bid. Ongoing projects should be discussed in terms of their current status, projected completion date and amounts expended and encumbered to date versus amounts appropriated.

Very few projects appropriating funds for both pre-construction (i.e., land acquisition, planning, design) and construction work phases within the same budget ordinance are implemented within the 12-month fiscal year. Therefore, please justify why projects proposing such multi-phase funding in a single fiscal year should be appropriated. Explain in detail how all proposed budgeted phases would be implemented in the same fiscal year.

### **Operating Budget Review**

As stated earlier in this letter, the Operating Budget Review Presentations need to be brief and focused on the departmental budgets - not on general background or general policies of the departments. Each department's operating budget review should contain the following items:

- 1) Details of changes between the FY09 and FY10 operating budgets.
- 2) Discussion of budget issues — new proposals or changes in operations.
- 3) Justification of vacant funded positions as required by ROH 2-18.7.
- 4) Discussion of changes in revenue sources for the department's budget.

### **Departmental Budget Briefing Schedule**

Adherence to the Departmental Budget Briefing Schedule should be made a priority. However, should a department wish to change the designated time for its presentation, the following procedure is to be followed:

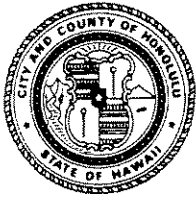
- 1) Requests for changes will only be accepted on or before Friday, February 13, 2009.
- 2) Each department wishing to make a change must confer with the department they wish to exchange day and/or time slots with. Please note that the time switches need to be the same allotted time for each of the two departments making the switch. The initiating department will then call the Budget Committee Clerk, Ms. Gail Murayama, at extension 3818 to confirm the date and/or time switch.

Your cooperation with the above process would be greatly appreciated. I am looking forward to an informative and productive departmental budget review.

Sincerely,



NESTOR R. GARCIA, Chair  
Committee on Budget



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII 96813-3077

## BUDGET COMMITTEE

### **Voting Members:**

Nestor R. Garcia, Chair  
Gary H. Okino, Vice Chair  
Duke Bainum  
Charles K. Djou  
Rod Tam

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## NOTICE

### FY 2009-2010 ANNUAL BUDGET REVIEW DEPARTMENTAL BUDGET BRIEFING SCHEDULE COMMITTEE MEETING ROOM

#### **Monday, March 16, 2009 – CIP/Operating Budget**

9:00 a.m. Administrative Overview

#### **Monday, March 16 – CIP Budget Review by Function**

Presentation not limited to the following departments:

10:00 a.m. **Public Safety Function**  
Honolulu Police Department  
Honolulu Emergency Services Department  
Department of Facility Maintenance  
Department of Transportation Services  
Department of Design and Construction  
Honolulu Fire Department

Noon - 2:00 p.m. Break (if needed)

2:00 p.m. Continuation (if needed)

#### **Tuesday, March 17 – CIP Budget Review by Function**

Presentation not limited to the following departments:

9:00 a.m. **General Government Function**  
Department of Information Technology  
Department of Budget and Fiscal Services  
Department of Facility Maintenance  
Department of Planning and Permitting  
Department of Design and Construction

Noon - 2:00 p.m. Break

**Tuesday, March 17 – CIP Budget Review by Function (continued)**

2:00 p.m. **Human Services Function**  
Department of Community Services  
Department of Budget and Fiscal Services

**Thursday, March 19 – CIP Budget Review by Function**

Presentation not limited to the following departments:

9:00 a.m. **Sanitation Function**  
Department of Environmental Services  
Department of Design and Construction

**Culture-Recreation Function**  
Department of Parks and Recreation  
Department of Enterprise Services  
Department of Design and Construction

Noon – 2:00 p.m. Break (if needed)

2:00 p.m. Continuation (if needed)

### Friday, March 20 – CIP Budget Review by Function

Presentation not limited to the following departments:

9:00 a.m. **Highways and Streets Function**  
 Department of Transportation Services  
 Department of Facility Maintenance  
 Department of Environmental Services  
 Department of Design and Construction

Noon - 2:00 p.m. Break

2:00 p.m.      **Utilities or Other Enterprises Function**  
 Department of Transportation Services  
 Department of Design and Construction

**Monday, March 23 – Operating Budget Review by Departments**

9:00 - 9:45 a.m.	Office of the Mayor/Managing Director (Office of Economic Development, Waikiki Development, Film Office, Culture and Arts, Neighborhood Commission)
9:45 - 10:30 a.m.	Department of Budget and Fiscal Services
10:30 - 11:15 a.m.	Department of the Prosecuting Attorney
11:15 - Noon	Department of Parks and Recreation
Noon - 2:00 p.m.	Break
2:00 - 2:45 p.m.	Department of Design and Construction
2:45 - 3:30 p.m.	Department of Enterprise Services (Auditoriums, Golf Courses, Zoo, Concessions)
3:30 - 4:15 p.m.	Department of the Corporation Counsel (Ethics Commission)

**Tuesday, March 24 – Operating Budget Review by Departments**

9:00 - 9:45 a.m.	Department of Environmental Services
9:45 - 10:30 a.m.	Department of Facility Maintenance
10:30 - 11:15 a.m.	Department of Information Technology
11:15 - Noon	Department of Human Resources
Noon - 2:00 p.m.	Break
2:00 - 2:30 p.m.	Liquor Commission
2:30 - 3:00 p.m.	Royal Hawaiian Band
3:00 - 3:45 p.m.	Department of Community Services
3:45 - 4:30 p.m.	Department of Transportation Services

**Wednesday, March 25 – Operating Budget Review by Departments**

9:00 - 10:00 a.m.	Honolulu Fire Department
10:00 - 11:00 a.m.	Honolulu Police Department
11:00 - 11:30 a.m.	Honolulu Emergency Services Department (EMS, Ocean Safety)
11:30 - 11:45 a.m.	Department of Emergency Management
11:45 - Noon	Department of the Medical Examiner

**Wednesday, March 25 – Operating Budget Review by Departments (continued)**

Noon - 2:00 p.m.	Break
2:00 - 2:45 p.m.	Department of Planning and Permitting
2:45 - 3:30 p.m.	Department of Customer Services

**Friday, March 27**

9:00 - 9:30 a.m.	Legislative Branch (City Auditor, City Clerk, City Council, Council Services)
9:30 - 3:30 p.m.	Contingent time, if needed

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Date and time of briefings are subject to change.

Persons wishing to present oral testimony may raise their hand at the time the Committee Chair calls for individuals desiring to speak.

Public testimony will be taken at the end of each day, after all department presentations have concluded.

Each speaker will be limited to a one-minute presentation. Written testimony may be faxed to 768-3827.

Any disabled person requiring special assistance should call 768-3818 for details.